

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUENOS 05769 071302Z

53

ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03 PA-03

PRS-01 USIA-15 EUR-25 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 PM-07 DODE-00

AGR-20 NIC-01 RSR-01 /208 W
----- 024822

P R 071115Z AUG 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 3134

INFO AMEMBASSY ASUNCION

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY MEXICO

AMEMBASSY MONTEVIDEO

AMEMBASSY SANTIAGO

USCINCSO

LIMITED OFFICIAL USE BUENOS AIRES 5769

USCINCSO FOR POLAD

E.O. 11652: N/A

TAGS: ECON, ESTC, ETRD, AR, CU, US

SUBJECT: ARGENTINA EXTENDS LARGE CREDIT TO CUBA: LARGE INCREASE
IN TRADE FORECAST

REFS: A. BA 5001, B. STATE 117307, C. BA 4183, D. BA 4122, E. BA 3839

1. SUMMARY. GOA MINISTER OF TREASURY AND FINANCE ANNOUNCED
ARGENTINA EXTENDING LINE OF CREDIT TOTALLING US\$ 200 MILLION
TO CUBA. CREDIT APPARENTLY WILL BE USED FOR CUBAN PURCHASES OF
TRUCKS, TRACTORS, MACHINERY AND ARGICULTURAL PRODUCTS. ACCORDING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUENOS 05769 071302Z

TO PRESS FOREIGN MINISTER WILL GIVE DETAILS LATER.

2. FOLLOWING REESTABLISHMENT OF FORMAL RELATIONS BETWEEN ARGENTINA AND CUBA ON MAY 28 AND SIGNIFICANT SALE OF ARGENTINE CORN TO CUBA WHICH WAS ANNOUNCED JUNE 7, IT SEEMED POSSIBLE BUT NOT NECESSARILY LIKELY THAT THE TWO COUNTRIES WOULD PUSH RAPIDLY AHEAD IN ESTABLISHING SPECIAL TRADING RELATIONSHIPS.

3. AN ARGENTINE DELEGATION, WHICH HAD BEEN IN CUBA FOR AN ANNIVERSARY CELEBRATION OF THE ASSAULT ON MONCADA BARRACKS, RETURNED TO BUENOS AIRES ON AUG 3 AND IN TALKING WITH PRESS STATED THAT THERE HAD BEEN CONVERSATIONS REGARDING THE POSSIBILITIES FOR AN INCREASE IN TRADE. ON AUG 4, DURING REGULAR MEETING WITH PRESS, MINISTER OF TREASURY GELBARD SAID HE WOULD SOON MAKE IMPORTANT ANNOUNCEMENT CONCERNING RELATIONS WITH CUBA. FOLLOWING CABINET MEETING ON AUG 6 MINISTER GELBARD MADE FORMAL ANNOUNCEMENT CONCERNING EXTENSION OF US\$ 200 MILLION LINE OF CREDIT. MINISTER STATED LINE OF CREDIT WOULD BE USED PRINCIPALLY FOR PURCHASE OF TRUCKS, TRACTORS, MACHINERY AND AGRICULTURAL PRODUCTS AND ADDED THAT DETAILS OF OPERATION INCLUDING PRODUCTS TO BE TRADED AND THEIR VOLUME WOULD BE ANNOUNCED BY MINISTRY OF FOREIGN AFFAIRS AT OPPORTUNE MOMENT. GELBARD ADDED QUOTE THIS OPERATION FITS WITHIN THE INTERNATIONAL POLICY WHICH HAS BEEN MARKED OUT BY THE GOVERNMENT OF THE PEOPLE AND WILL BE IMPORTANT BECAUSE IT ALLOWS SATISFYING THE NEEDS OF CUBA TO IMPORT AT THE SAME TIME THAT IT WILL ASSIST IN THE DEVELOPMENT OF OUR INDUSTRIES END QUOTE.

4. COMMENT. ARGENTINE SALES OF AGRICULTURAL PRODUCTS IN NEAR FUTURE TO CUBA UNDER THIS LINE OF CREDIT WOULD BE STRONG EVIDENCE OF POLITICAL DECISION TO BUILD STRONGER TIES WITH CUBA. ARGENTINA'S AGRICULTURAL PRODUCTS ARE IN GREAT DEMAND IN WORLD MARKETS AND CAN COMMAND HIGH PRICES AND CASH PAYMENT WHICH ARGENTINE BALANCE OF PAYMENTS SITUATION MAY BE SAID TO REQUIRE. EXTENSION OF CREDIT TO FACILITATE SALE OF INDUSTRIAL PRODUCTS IS RELATIVELY LESS A POLITICAL DECISION AND FITS WITH ARGENTINE DESIRE AT PRESENT TIME TO INCREASE FOREIGN DEMAND FOR INDUSTRIAL PRODUCTS AND TO ENSURE HIGH LEVEL ACTIVITY AND EMPLOYMENT IN INDUSTRY. BECAUSE WE FIND IT UNLIKELY QUOTE TRUCKS, TRACTORS AND MACHINERY END QUOTE CAN BE SUPPLIED IN SUBSTANTIAL QUANTITIES BY ARGENTINA WITHOUT INVOLVING PRODUCERS WHICH ARE SUBSIDIARIES OF US FIRMS, EMBASSY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUENOS 05769 071302Z

ANTICIPATES PROBLEMS ARE LIKELY TO ARISE INVOLVING (A) PRESSURES FROM GOA ON AMERICAN SUBSIDIARIES TO SUPPLY ITEMS TO CUBAN PURCHASERS, (B) NEEDS OF SUBSIDIARIES TO SECURE US TREASURY WAIVERS GIVING CLEARANCE FOR SUCH SALES AND, POSSIBLY (C) STRONG REACTION ON PART OF GOA TO DELAYS OR FAILURE OF US FIRMS TO PERFORM AS EXPECTED.
KREBS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BUENOS05769
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730854/aaaabnpj.tel
Line Count: 114
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 117307, A 4183, D. BA 4122, E. BA 3839
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 15 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Jan-2002 by martinjw>; APPROVED <06-Feb-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARGENTINA EXTENDS LARGE CREDIT TO CUBA: LARGE INCREASE IN TRADE FORECAST
TAGS: ECON, ESTC, ETRD, AR, CU, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005